

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY EOG RESOURCES, INC.**

ORDER NO. PLC-673

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application, issues the following Order.

FINDINGS OF FACT

1. EOG Resources, Inc. (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant provided evidence or a certification by a qualified person that the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.

9. To the extent that ownership is diverse, Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. Commingling involving state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
12. Pools, leases, and wells cannot be added because Applicant did not give adequate notice that it sought such authorization, in accordance with 19.15.12.10(C)(4)(g) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Effective April 15, 2020, Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. This Order supersedes Order PC-1335.
3. The oil and gas production from each well shall be separated and metered prior to commingling.
4. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
5. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, then Applicant shall submit a new surface commingle application to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value no later than sixty (60) days after the decrease in value has occurred. If Applicant fails to do so, this Order shall terminate on the following day. If OCD denies the application, this Order shall terminate on the date of such action.
8. OCD will not approve an application to amend this Order to add pools, leases, and wells.
9. Applicant shall not commence commingling involving state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

10. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it determines that the Application did not accurately describe any action affecting or related to the commingling of oil and gas production, or as deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'AS', is written over a horizontal line.

**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 4/14/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-673**

Operator: **EOG Resources, Inc. (7377)**

Central Tank Battery: **Ruby Newbie State Com Central Tank Battery**

Central Tank Battery Location (NMPM): **SW/4 Section 2, Township 26 South, Range 34 East**

Gas Custody Transfer Meter Location (NMPM): **SW/4 Section 2, Township 26 South, Range 34 East**

Central Tank Battery: **Ruby 2 State Com Central Tank Battery**

Central Tank Battery Location (NMPM): **SW/4 Section 2, Township 26 South, Range 34 East**

Gas Custody Transfer Meter Location (NMPM): **SW/4 Section 2, Township 26 South, Range 34 East**

Pools

Pool Name	Pool Code
HARDIN TANK; BONE SPRING	96661
HARDIN TANK; WOLFCAMP	96658

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
CA WC, 707H	E/2 E/2	Sec 2-T26S-R34E
CA WC 1369147, 705H	W/2 E/2	Sec 2-T26S-R34E
CA WC, 703H	E/2 W/2	Sec 2-T26S-R34E
CA WC, 702H	W/2 W/2	Sec 2-T26S-R34E
CA BS, 605H	E/2 E/2	Sec 2-T26S-R34E
CA BS, 603H	W/2 E/2	Sec 2-T26S-R34E
CA BS, 602H	E/2 W/2	Sec 2-T26S-R34E
CA BS, 601Y	W/2 W/2	Sec 2-T26S-R34E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-44103	Ruby 2 State Com 601Y	D-02-26S-34E	96661	
30-025-44060	Ruby 2 State Com 602H	D-02-26S-34E	96661	
30-025-44061	Ruby 2 State Com 603H	C-02-26S-34E	96661	
30-025-41821	Ruby 2 State Com 701H	M-02-26S-34E	96658	
30-025-43892	Ruby 2 State Com 702H	D-02-26S-34E	96658	
30-025-43893	Ruby 2 State Com 703H	D-02-26S-34E	96658	
30-025-43894	Ruby 2 State Com 704H	C-02-26S-34E	96658	
30-025-43933	Ruby 2 State Com 705H	C-02-26S-34E	96658	
30-025-44314	Ruby 2 State Com 604H	A-02-26S-34E	96661	
30-025-44315	Ruby 2 State Com 605H	A-02-26S-34E	96661	
30-025-44316	Ruby 2 State Com 706H	A-02-26S-34E	96658	
30-025-44317	Ruby 2 State Com 707H	A-02-26S-34E	96658	
30-025-44318	Ruby 2 State Com 708H	A-02-26S-34E	96658	
30-025-44319	Ruby 2 State Com 709H	A-02-26S-34E	96658	
30-025-44320	Ruby 2 State Com 710H	A-02-26S-34E	96658	